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Joint Committee on Finance

Paper #255

Grant Programs (Children and Families -- TANF and Economic Support)

[LFB 2023-25 Budget Summary: Page 100, #19; Page 101, #20 & 21; Page 102, #22;
and Page 104, #27]

CURRENT LAW

Under current law, federal funds the state receives from the temporary assistance for needy families (TANF) block grant and child care development fund (CCDF) support programs that assist low income families. Most of the federal funding, together with several sources of state funds, support child care subsidies under the Wisconsin Shares program and Wisconsin Works (W-2) related benefits. However, in addition to Wisconsin Shares and W-2 related programs, the Department of Children and Families (DCF) distributes some of the federal funding as grants to counties and nonprofit entities to support programs that are intended to achieve the purposes of these federal programs.

The current grant funding represents a minor share of the total program funding for DCF's economic assistance programs. In 2021-22, of the total DCF expenditures for TANF-related program (\$564.5 million), DCF expended \$5.2 million for such programs, which included grants for: (a) Boys and Girls Clubs (\$2.7 million); (b) civil legal assistance (\$0.5 million); (c) GED test assistance and adult literacy (\$0.3 million); and (d) grants to various organizations to support specific programs (\$1.7 million).

The four purposes of the TANF program are to: (1) provide assistance to needy families so that children can be cared for in their own homes; (2) reduce the dependency of needy parents by promoting job preparation, work and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of two-parent families. Programs advancing purposes "1" and "2" are for "needy" persons, thereby requiring financial eligibility tests. By contrast, programs advancing purposes "3" and "4" are not for "needy" applicants and thus do not need to be means tested.

DISCUSSION POINTS

1. This paper discusses several grant programs for which AB 43/SB 70 would provide additional funding in the 2023-25 biennium.

Boys and Girls Clubs

2. DCF allocates \$2,807,000 FED TANF annually for grants to the Wisconsin Chapter of the Boys and Girls Clubs of America to fund programs that improve social, academic, and employment skills of youth. Most of this funding (\$1,532,000 annually) supports the Be Great: Graduate program across the state. The program helps teens who are at risk of dropping out of school to develop the academic, behavioral, and social skills they need to be successful. The Boys and Girls Club is required to match the grant amounts for this program.

3. The Boys and Girls Club of Wisconsin reports that this intensive intervention initiative assisted 700 teens at risk of not graduating during the pandemic.

4. In addition, funding of \$1,275,000 supports Wisconsin After Three, which provides structured afterschool programming to youth five days a week that is focused on improving fluency in reading and math as well as career preparation for low-income youth in the greater Milwaukee area. Services include online learning for reading and math, homework help, and job readiness and career preparation sessions.

5. The Boys and Girls Club of Wisconsin reports that, in 2021, it used its TANF grant funding to improve the literacy skills of over 4,000 youth statewide during the pandemic. Before the pandemic, students demonstrated a 13% increase in math proficiency.

6. AB 43/SB 70 would create a GPR appropriation and provide \$1,800,000 (\$1,300,000 GPR and \$500,000 FED) annually to increase the grant DCF provides to the Boys and Girls Clubs of Wisconsin [Alternative A1]. Although not specified in AB 43/SB 70, the Administration indicates that the TANF funding increase would support the Wisconsin After Three program.

7. The GPR funding would support mental health and substance abuse prevention services, which is intended to improve workforce development, increase graduation rates, lower incarceration rates, and reduce truancy. DCF estimates that that approximately 40% of program participants would not meet TANF eligibility requirements, and therefore state funding is needed to provide services that cannot be funded with TANF.

8. Alternatively, the Committee could provide GPR funding in a lower amount (\$500,000 GPR and \$500,000 FED) than in AB 43/SB 70 [Alternative A3].

9. The Committee could choose to remove the matching requirement for the Be Great: Graduate program [Alternative A2]. According to the Boys and Girls Club, the matching requirement can be an unnecessary administrative burden to local club chapters, because the central organization, rather than local chapters, fund statewide administration and infrastructure program costs.

Families and Schools Together (FAST)

10. The FAST program, developed in the late 1980s by Dr. Lynn McDonald, a professor at the University of Wisconsin-Madison, is an evidence-based family engagement program that supports child well-being and learning readiness. The program includes outreach to engage and recruit families, eight weeks of multifamily group meetings, each about 2.5 hours long, and, following the eight weeks, two years of monthly, parent-led group meetings. The eight weekly sessions follow a preset schedule and include activities such as family communication and bonding activities, parent-directed family meals, parent social support groups, between-family bonding activities, one-on-one child-directed play, and opening and closing routines modeling family rituals. The program is intended to enhance family functioning, strengthen infant or scholastic development, and prevent substance abuse and delinquency.

11. Sessions are led by trained teams that include at least one member of the school staff, in addition to parents and professionals from local community organizations.

12. According to the FAST website, since 1988, FAST programs have been implemented in 48 U.S. states and more than 20 countries.

13. In the 2021-23 biennium, \$250,000 (FED-TANF) is budgeted annually to support the FAST program. The statutes require that DCF allocate this funding to support the FAST program in five Milwaukee elementary schools. The five current participating schools are Auer Avenue School, Keefe Avenue School, Hopkins Lloyd Community School, Brown Street Academy, and Engleburg Elementary schools. DCF selected these schools in collaboration with Milwaukee Public Schools.

14. AB 43/SB 70 would increase funding for the FAST program from \$250,000 to \$500,000 annually, and require that DCF distribute the additional funding "only if the recipient provides matching funds" [Alternative B1]. The Administration indicates that because FAST is the grant recipient, FAST would need to match the requested increase. AB 43/SB 70 would not alter the current law requirement that services be provided to five schools in Milwaukee, and hence the program would not expand into new schools.

15. If the Committee provides additional funding for the program, but wants to offer the program in additional schools, it could repeal the current statutory requirement that limits all funding for the program to five elementary schools in Milwaukee or clarify the Committee's intent for the uses of the additional funding [Alternative B2].

Jobs for America's Graduates (JAG)

16. Jobs for America's Graduates is a state-based national nonprofit organization that assists youth in reaching economic and academic success. Services involve classroom instruction, adult mentoring, leadership development, guidance and counseling, job and postsecondary education placement services, links to community services, and 12-month follow-up services.

17. The program helps the most at-risk Wisconsin students overcome learning loss and become gainfully employed through Wisconsin employers, post-secondary degrees, or military

careers. According to DCF, the JAG graduation rate is 97.5% and provides follow-up services for a year after graduation to ensure college or employment success.

18. In 2022, JAG served 323 participants (including both TANF and privately funded programs). Almost 70% of graduates went into training or post-secondary education and 156 students moved into employment in 2022 with an average wage for graduates of \$13.49. JAG engaged with 120 employers throughout Wisconsin for tours, internships, and employment.

19. DCF indicates that there are several schools on a waiting list to participate in JAG and so additional funding could expand the program.

20. AB 43/SB 70 would provide \$500,000 annually to expand the Jobs for America's Graduates (JAG) program to up to five additional schools in rural and urban areas of the state [Alternative C1]. Total funding for the program would increase from \$500,000 to \$1,000,000 annually, beginning in 2023-24.

Skills Enhancement Grants

21. The Community Services Block Grant (CSBG) provides federal funding for Community Action Agencies (CAA) to alleviate the causes and conditions of poverty with programs tailored to specific local needs. DCF distributes CSBG funding through grants to Wisconsin's local CAAs and two statewide agencies that focus on serving special populations.

22. One of the direct services CAAs provide are education and skills enhancements which help low-income, working applicants obtain skills training for career advancement and increased income and access to benefits. DCF provides \$250,000 GPR annually for CAAs to assist eligible persons overcome barriers to employment and education, including access to transportation, child care, career counseling, job placement assistance, and financial support for education and training. These services are limited to individuals who work at least 20 hours per week and whose earned income is at or below 150 percent of the federal poverty level (\$37,290 for a family of three in 2023).

23. In 2022-23, each participating CAA receives a grant for skills enhancement of \$20,833. The 2022-23 CAA contracts are with ADVOCAP, CAP Services, Community Action of Rock and Walworth Counties, Couleecap, Central Wisconsin Community Action Council, Lakeshore CAP, Newcap, Racine/Kenosha Community Action Agency, Social Development Commission, Southwest CAP, Western Dairyland Economic Opportunity Council, and West Central CAA.

24. AB 43/SB 70 would increase funding for skills enhancement grants by \$250,000 GPR annually [Alternative D1]. Together with base funding, a total of \$500,000 GPR would be budgeted each year for DCF to provide as grants to CAAs.

25. DCF indicates that the additional funding would allow for more individuals to participate in the program, eliminate barriers for participants to get to their place of employment, school, and training, and result in increased wages. Specifically, it would support: (a) expanded training/educational options to cover trainings that have higher costs, are farther away, or presented other challenges but results in higher paying jobs; (b) tuition coverage to additional participants; (c)

staff travel costs to meet with Technical Colleges; (c) CAA participation at local job fairs; (d) allowing enrolled students to attend training events in their field of study; (e) transportation, child care and school related supplies to additional participants; and (f) improved marketing and outreach to potential students/applicants as well as new employers.

26. Alternatively, the Committee could choose to provide \$500,000 FED in annual TANF funding rather than GPR [Alternative D2]. However, DCF indicates that the administrative requirements associated with TANF would greatly diminish the availability of the services compared with providing GPR. For example, TANF-funded services would be limited to needy families with children, and thus the CAAs would need to means test applicants and/or separate funds between assistance and non-assistance services. Federal requirements for assistance, such as time limits and work participation, would apply. Given the small scale of CAAs and the services provided, such administrative components can be impractical for CAAs and may result in fewer services being provided. According to DCF, the advantage of using GPR to fund skills enhancement grants is that CAAs can provide a blend of services unique to an eligible individual's needs regardless of whether it would be considered TANF assistance under federal regulations.

Civil Legal Services

27. The Wisconsin Trust Account Foundation, Inc. (WisTAF) is a nonprofit created in 1986 by the Wisconsin Supreme Court to increase access to legal services. WisTAF distributes funding to civil legal aid organizations that provide low-income residents with information, advice, and representation on non-criminal matters. The Foundation is governed by a 15-member board, comprised of attorneys, judges, and non-attorneys with relevant experience.

28. According to its 2021 annual report, WisTAF provided \$2.9 million of funding that directly assisted 9,547 people in Wisconsin access the civil justice system. Of the cases closed in 2021, the most common legal issues were related to: (a) housing, such as preventing homelessness, foreclosures, and housing discrimination (46%); and (b) family law, such as protecting abuse victims, custody and visitation issues, and paternity and child support (18%).

29. The Department of Children and Families (DCF) is budgeted \$500,000 FED (TANF) annually to support WisTAF. These funds may not be used for litigation against the state and may only be used to support specific civil legal services (related to domestic abuse, sexual abuse, or restraining orders for certain at-risk elderly and disabled individuals) for TANF-eligible individuals with incomes of less than 200% of the federal poverty level. This funding supported more than 750 clients to address critical civil legal problems related to domestic violence and sexual abuse in 2021.

30. Current law also allows DCF to identify underspending in the federal block grant aids appropriation for TANF and provide such funds to WisTAF under certain conditions. Since 2003-04, s. 49.1635 of the Wisconsin Statutes has permitted DCF to identify underspending in the federal block grant aids appropriation for TANF and provide up to \$100,000 to WisTAF. Grants by WisTAF under this provision may be used for a broader array of services compared to the proposed TANF funding identified above. Each organization to which WisTAF distributes funding are required match 100% of the grant amount with private donations. No more than 10% of the funding can be used by WisTAF for administration.

31. However, these provisions have not been used for more than 17 years. DCF indicates that it is cumbersome to plan on spending funds that have been allocated by law for other purposes. As a result, no grants for civil legal services are being made under this provision.

32. AB 43/SB 70 would increase the TANF allocation for WisTAF from \$500,000 to \$1,000,000 FED annually, expand the legal services for which federal funds may be used to include cases involving evictions, and repeal the current \$75,000 annual maximum award per recipient [Alternative E1]. Further, AB 43/SB 70 would repeal the provisions that permit the state to distribute unspent TANF funds to WisTAF, since they are not being used.

33. Another option would be to fund, rather than repeal, provisions of current law that allow for distributions of unused TANF funds to WisTAF [Alternative E2]. Modifying current law and providing TANF funding in an amount chosen by the Committee would allow WisTAF to provide grants for staff attorneys, paralegals, volunteers, law school programs, self-help and other assistance programs to assist needy families with basic legal needs both in and outside of the court system, such as family law (such as protecting abuse victims, custody and visitation issues, and paternity and child support), housing law (such as preventing homelessness, foreclosures, and housing discrimination), health law (such as providing advice and advocating for disabled, veterans, children, and seniors in Medicaid, Medicare, and other health programs), and assisting consumers and debtors. Legal assistance would only be provided for needy families that qualify for temporary assistance for needy families under federal TANF regulations and who would have incomes up to 200% of the federal poverty level (\$49,720 for a family of three in 2023).

ALTERNATIVES

A. Boys and Girls Clubs

1. Create a GPR appropriation and provide \$1,800,000 (\$1,300,000 GPR and \$500,000 FED) annually to increase the grant DCF provides to the Boys and Girls Clubs of Wisconsin.

ALT 1	Change to Base
GPR	\$2,600,000
FED	<u>1,000,000</u>
Total	\$3,600,000

2. Adopt Alternative 1 with the modification to remove the match requirement on the allocation of TANF funding for the Be Great: Graduate program.

ALT A2	Change to Base
GPR	\$2,600,000
FED	<u>1,000,000</u>
Total	\$3,600,000

3. Create a GPR appropriation and provide \$1,000,000 (\$500,000 GPR and \$500,000 FED) annually to increase the grant DCF provides to the Boys and Girls Clubs of Wisconsin.

ALT A3	Change to Base
GPR	\$1,000,000
FED	<u>1,000,000</u>
Total	\$2,000,000

4. Take no action.

B. Families and Schools Together

1. Provide \$250,000 FED annually to increase funding allocated for the FAST program. Specify that the additional funding would be distributed only if the recipient provides matching funds.

ALT B1	Change to Base
FED	\$500,000

2. Provide \$250,000 FED annually to increase funding allocated for the families and schools together (FAST) program. In addition, modify the program by choosing one or more of the following options

- a. Repeal the current statutory requirement that funding be allocated to five elementary schools in Milwaukee.
- b. Specify that the grant recipient must provide a 100% match for state grant amount.
- c. Require DCF to offer FAST grants at least every four years, based on a competitive bid process.

ALT B2	Change to Base
FED	\$500,000

3. Take no action

C. Jobs for America's Graduates

1. Provide \$500,000 FED TANF annually to expand the Jobs for America's Graduates (JAG) program.

ALT C1	Change to Base
FED	\$1,000,000

2. Take no action.

D. Skills Enhancement Grants

1. Provide \$250,000 GPR annually to expand the skills enhancement program.

ALT D1	Change to Base
GPR	\$500,000

2. Provide \$500,000 FED annually to expand the skills enhancement program.

ALT D2	Change to Base
FED	\$1,000,000

3. Take no action.

E. Civil Legal Services

1. Provide an additional \$500,000 FED annually from TANF and expand the legal services for which grants may be used to include cases involving evictions. Repeal the \$75,000 annual maximum award amount any program can receive. Repeal provisions that permit DCF to distribute unspent TANF funds that had previously been allocated for other purposes to WisTAF.

ALT E1	Change to Base
FED	\$1,000,000

2. Modify s. 49.1635 of the Wisconsin Statutes to repeal provisions allowing DCF to distribute up to \$100,000 of unused TANF funds and instead provide TANF from s. 49.175(1)(j) in an amount of selected by the Committee for a broader range of civil legal services for needy families, such as one of the following: (a) \$500,000 FED annually; (b) \$1,000,000 FED annually; (c) \$1,500,000 FED annually; (d) \$2,000,000 FED annually; or (e) \$2,500,000 FED annually.

ALT E2	Change to Base
a. FED	\$1,000,000
b. FED	2,000,000
c. FED	3,000,000
d. FED	4,000,000
e. FED	5,000,000

3. Take no action.

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